

## ★ CHAPTER 6 ★

FEDERAL AGENCIES' CENTRALIZED TRIAL-BALANCE SYSTEM  
REPORTING AND VERIFICATION REQUIREMENTS0601 BACKGROUND

060101. An integral part of the Department of Defense (DoD) annual financial statement reporting process is the submission of data through the Federal Agencies' Centralized Trial-Balance System (FACTS). The FACTS is a system that is administered and maintained by the Department of the Treasury's Financial Management Service (Treasury FMS) to facilitate the preparation and consolidation of the Financial Report of the United States (U.S.) Government.

060102. The FACTS reporting system for proprietary account balances discussed in this chapter is separate and distinct from the reporting system for budgetary account balances (FACTS II). That system is addressed in Chapter 4 of this volume.

0602 POLICY

060201. Annual Treasury FMS Guidance. Each year, the Treasury FMS releases guidance describing the specific reporting requirements and due dates for the Chief Financial Officers (CFOs) of each agency to submit data via the FACTS. This chapter addresses the basic reporting requirements and identifies specific requirements for the FACTS data verification process. Therefore, this chapter and the annual Treasury FMS guidance shall be reviewed to ensure that all annual requirements and due dates are met. The annual Treasury FMS guidance is available at: <http://www.fms.treas.gov/cfs/dev/index.html> on the Internet.

060202. Submission and Verification of Data. All DoD reporting entities shall ensure that timely and reliable FACTS data is prepared and submitted to the Treasury FMS. All DoD reporting entities shall comply with the Treasury FMS requirements for the reconciliation and confirmation of intragovernmental balances. These requirements are published in the "Federal Intragovernmental Transactions Accounting Policies and Procedures Guide," and the "Intragovernmental Fiduciary Transactions Accounting Guide," which are available at: <http://www.fms.treas.gov/cfs/dev> on the Internet. The DoD reporting entities and the offices responsible for preparation and submission of FACTS Adjusted Trial-Balances (ATBs), FACTS Notes, Master Appropriation File (MAF) updates and Account Groupings Worksheets (AGWs) are listed in Table 6-1.

0603 DEFINITION OF TERMS USED FOR FACTS REPORTING

060301. Account Groupings Worksheet (AGW). An AGW is a file initially prepared by the Treasury FMS, based upon data submitted by federal reporting entities, that contains the following worksheets: (a) Balance Sheet, (b) Statement of Operations and Changes in Net Position, (c) Statement of Net Cost, (d) Schedule of Split U.S. Government Standard General Ledger (SGL) Accounts, and (e) Schedule of Differences between the ATB data and the FACTS Notes data. The AGWs are prepared for each DoD reporting entity in addition to a consolidated AGW. Preliminary AGWs, based upon FACTS data submitted for the prior fiscal

year, are sent to the agency CFOs for verification in August of each year. These AGWs shall be verified for consistency with the beginning balances for the current fiscal year. Preliminary AGWs for the fiscal year ending in September are sent to agency CFOs the following February of each year, based upon FACTS data submitted in the ATBs and FACTS Notes. Final AGWs shall be prepared and submitted to the Treasury FMS. Final AGWs shall compare and explain differences between the Summarized FACTS Data report and the agency consolidated financial statements submitted to the Office of Management and Budget (OMB). The Treasury FMS has defined verification procedures to be performed by agency CFOs and Inspectors General. Those procedures are published in Volume 1, Part 2, Chapter 4000 of the “Treasury Financial Manual,” and are available at: <http://www.fms.treas.gov/cfs/dev/index.html> on the Internet.

060302. Adjusted Trial-Balance (ATB). The ATB is a list of all proprietary SGL accounts with preclosing balances prepared at year-end. An ATB includes all adjusting entries needed at year-end. The total sum of the debit balances shall equal the total sum of the credit balances in an ATB.

060303. Budget Function Classification (BFC) Code. The BFC is a system of classifying budget resources by function. The system groups budget authority and outlays of federal entities in terms of the national needs that are being addressed. The BFC code is a 3-digit code that represents a subfunction that is grouped under 1 of 19 functions. In turn, the OMB groups each of the 19 functions under the 5 superfunctions presented in the Budget of the U.S. Government. Each ATB is associated with a single BFC code identified in the MAF. Table 6-1 identifies the BFC code to be used by each DoD reporting entity.

060304. Business Line. The business line is the level at which a FACTS Notes report is submitted. The reporting entity determines a business line. It can be one or more programs, a substantial commercial activity, a bureau, an agency, a corporation, a department or a combined group of appropriation/fund groups. Within the Department, each reporting entity listed in Table 6-1 constitutes a business line. The business line identification in the MAF identifies the ATBs that are grouped together with one set of FACTS Notes.

060305. Elimination Data Guidance. Detailed guidance for the reconciliation and confirmation of intragovernmental balances has been developed and published by the Treasury FMS. The “Federal Intragovernmental Transactions Accounting Policies and Procedures Guide” requires all agencies to reconcile and confirm federal intragovernmental asset, liability, revenue, expense, gains, losses and miscellaneous items. The “Intragovernmental Fiduciary Transactions Accounting Guide” gives detailed guidance for fiduciary transactions, which includes: (a) investments with the Bureau of Public Debt; (b) borrowings from the U.S. Treasury; (c) transactions with the Department of Labor relating to the Federal Employees’ Compensation Act; and (d) transactions with the Office of Personnel Management relating to the Federal Employees’ Retirement System, the Civil Service Employees’ Retirement System, the Federal Employees’ Life Insurance Program, and the Federal Employees’ Health Benefits Program. These guides are available at: <http://www.fms.treas.gov/cfs/dev> on the Internet.

060306. Entity Code. The entity code is a unique seven-digit code that combines the six-digit Government On-line Accounting Systems user identification code plus an alpha character. It identifies the responsible submitter for the FACTS ATB and the MAF data.

060307. The FACTS Notes. The FACTS Notes provide additional textual information and detailed SGL account balance information. Within the FACTS process, one or more ATBs are associated with one set of Notes. Together, the ATBs and their corresponding FACTS Notes shall present a complete financial picture of the reporting entity. In addition, the programs that make up each reporting entity's FACTS Notes report shall coincide with the program line items used on the Statement of Net Cost. The FACTS Notes shall be submitted at the business line level. The SGL account balances on the FACTS Notes report shall agree with the SGL account balances on the ATBs. The FACTS Notes do not correspond directly to the DoD audited financial statement footnotes. The FACTS Notes contain information derived from a compilation of data identified in the DoD audited financial statements, footnotes, and required supplementary information. Therefore, reporting entities shall ensure that data reported in the FACTS Notes is consistent with data reported in the audited financial statements and footnotes. In addition, information reported in the FACTS Notes shall also be consistent and reconcilable to information reported in other accounting and financial reports.

060308. Governmental. Governmental balances are SGL account balances that reflect transactions with other federal entities. Those balances are shown as intragovernmental transactions in the agency audited financial statements. All SGL account balances on the ATB with a "Governmental" attribute shall be identified by a two-digit partner code. The two-digit partner code represents reporting entities within the federal government that conduct business with other federal government entities. A list of the two-digit partner codes is published in Appendix 4 of the FACTS reporting guidance that is published by the Treasury FMS and available at: <http://www.fms.treas.gov/cfs/dev/index.html> on the Internet.

060309. Interdepartmental Balance. Interdepartmental balances result from transactions in which the trading partners are not in the same reporting entity. The two-digit partner code used in the body of the ATB would not be the same as the department code on the header record of the ATB. For eliminating entries, this balance corresponds to "Level 2" reporting, as defined in Volume 6B, Chapter 13, "Intragovernmental Eliminations," of this Regulation.

060310. Intradepartmental Balance. Intradepartmental balances result from transactions in which both trading partners are in the same reporting entity. The two-digit partner code used in the body of the ATB is the same as the department code on the header record of the ATB. For eliminating entries, this balance corresponds to "Level 3" reporting, as defined in Volume 6B, Chapter 13, "Intragovernmental Eliminations," of this Regulation. These balances are not included in the ATBs submitted for FACTS reporting.

060311. Intragovernmental Balance. Intragovernmental balances result from transactions between two federal entities included in the Financial Report of the U.S. Government. For eliminating entries, this balance corresponds to "Level 1" reporting, as defined in Volume 6B, Chapter 13, "Intragovernmental Eliminations" of this Regulation.

060312. Master Appropriation File (MAF) Update. The Treasury FMS uses the MAF to control the ATBs and the FACTS Notes reports that are submitted by federal agencies. Each MAF contains the following: (a) a department code, bureau code, and fund group code, grouped together to form a unique eight-digit identifier for each ATB; (b) a business line code, grouped with the department code, that indicates the business line code of the FACTS Notes report containing the ATB; (c) a BFC identifier; and (d) other codes and identifiers that the Treasury FMS uses for internal purposes. Reviewing and updating the MAF is required for the annual FACTS reporting process. The MAF shall be reviewed and updated on the FACTS database. Any changes to the MAF data shall be transmitted through the Personal Computer (PC) application by the required Treasury FMS due date. After the MAF has been updated, the Treasury FMS examines the updated MAF and uploads the approved MAF so that the preparing entity can verify that data was correctly transmitted. The agency shall then initiate the PC application by the required due date to acknowledge concurrence of the MAF.

060313. Nongovernmental. This is an attribute for an SGL account in which the balance reflects transactions that are not with a federal entity.

060314. Summarized FACTS Data. The summarized FACTS data is prepared by the Treasury FMS based upon FACTS data submitted by federal reporting entities. The summarized FACTS data at the departmental level contains the: (a) SGL accounts reported on the ATBs and consolidated on the AGW, (b) FACTS ATB, (c) FACTS Notes Report, and (d) Schedule of Differences between the ATB data and the FACTS Notes data presented on the AGW.

060315. Trading Partners. Trading partners are transaction partners that are federal entities included in the Financial Report of the U.S. Government.

#### 0604 DOD REPORTING ENTITIES

060401. Table 6-1 identifies the DoD reporting entities and the responsible office that is required to submit the ATBs and the FACTS Notes report. The Defense Finance and Accounting Service (DFAS) and the U.S. Army Corps of Engineers (USACE) Finance Center electronically shall transmit preclosing ATBs and FACTS Notes. The ATBs and the FACTS Notes shall be submitted to the Treasury FMS by the due date requested in the annual Treasury FMS guidance. The ATBs shall be submitted at least one full business day before the FACTS Notes.

**DoD Reporting Entities Required to Submit ATBs and FACTS Notes**

<b>DoD Reporting Entity</b>	<b>Treasury Index (T.I.)</b>	<b>Budget Function Classification Code</b>	<b>Responsible Office for FACTS Submission to the Treasury FMS</b>
Department of the Army	T.I. 21	051	DFAS-Indianapolis
Department of the Navy	T.I. 17	051	DFAS-Cleveland
Department of the Air Force	T.I. 57	051	DFAS-Denver
Army Working Capital Fund (WCF)	T.I. 97X4930.1	051	DFAS-Indianapolis
Navy WCF	T.I. 97X4930.2	051	DFAS-Cleveland
Air Force WCF	T.I. 97X4930.3	051	DFAS-Denver
Other Defense Organizations WCFs	T.I. 97X4930.4	051	DFAS-Indianapolis
	T.I. 97X4930.5	051	DFAS-Indianapolis
Other Defense Organizations General Funds	T.I. 97 all other	051	DFAS-Indianapolis
USACE	T.I. 96	301/304	USACE Finance Center
Military Retirement Trust Fund	97X8097	602	DFAS-Indianapolis
DoD Education Benefit Trust Fund	97X8098	702	DFAS-Indianapolis

Table 6-1

★This is the original release of a new chapter.